

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING1594 West North Temple - Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
Fax: (801) 359-3940SMALL MINING OPERATIONS PROGRESS REPORT
January 1, 2010 to December 31, 2010

The information required in this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, and the rules as under the Utah Minerals Regulatory Program.

1. Mine Permit Number: S230086
2. Mine Name: Coyote Knoll 1,2,&3
3. Name of Operator/Permittee: McFarland and Hullinger

Note: If Operator's address, company representative or phone number have changed, please provide a replacement page for the Notice of Intention together with form MR-REV available on the Division's web page at https://fs.ogm.utah.gov/pub/MINES/Minerals_Related/FORMS/MR-REV-SMO_EXP.pdf.

4. Report the gross amount of ore mined and waste moved.

Gross Ore Mined 0 Tons, or yd³
Waste Material Moved 0 Tons, or yd³

5. Disturbance at the end of 2009 3 Acres
New Disturbance Created during 2010 0 Acres
Area Reclaimed and Fully Released during 2010 0 Acres
Total Disturbed Area at the end of 2010 3 Acres*
Permitted/Bonded Acreage 5 Acres

*The total disturbed area should not be greater than the permitted/bonded acreage.

6. Briefly describe the reclamation work performed during the past year. A map showing reclaimed areas and dates is suggested.

None. We no longer have a lease on the property. The new lessee, Desert Gold, has met with DOGM and will take over the mine permit and the bond.

I hereby certify, under penalties of law, the information provided in this report is true and correct to the best of my knowledge and belief.

Name (Typed or Print): Sidney K. Hullinger
Title of Operator: Senior Vice President
Signature of Operator: *Sidney K. Hullinger*
Date: February 28, 2011

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DIV. OF OIL, GAS & MINING